

State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON Division Director OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE Lieutenant Governor

July 19, 2004

CERTIFIED RETURN RECEIPT 7099 3400 0016 8896 0785

Eric Beaumont Great Salt Lake Minerals 765 North 10500 West P.O. Box 1190 Ogden, Utah 84404

Subject: Response to Amendment, Great Salt Lake Minerals, GLS Mine,

M/057/002, Weber County, Utah

Dear Mr. Beaumont:

On May 17, 2004, we received your amendment notifying us of your need to move eight diesel driven pumps from Pump Station 113 West about one mile to the east and construct a similar pump station at 113 East. Pump Station 113 West will typically be used to pump brine from the dredged inlet canal during times of high Great Salt Lake levels. Pump Station 113 East will be used to pump brine from dredged inlet canal during times of low levels.

You requested that the surety amount remain the same until the next plan review, which would not be due until 2007. However, revising or amending your notice <u>does</u> require the surety amount to be adjusted. Therefore, the surety has been adjusted and escalated to year 2009, to include this amended area. Revising the entire surety at this time will relieve the necessity of having to post surety for this amended portion at this time, then again in year 2007.

A surety estimate of \$462,200 is required to add this amended area and escalate the entire surety to year 2009. Before final approval of your amended notice can be granted, you must post the additional \$70,500 surety. Because you have already created the work required on pump Station 113 East, you are potentially in a non-compliance situation. To avoid any enforcement action, we require that you post the surety w/in the next 30 days or notify us in writing requesting an extension and provide justification as to when this will be accomplished.



Eric Beaumont Page 2 of 2 M/057/002 July 19, 2004

If you have your bank amend the existing Letter of Credit, no other paperwork will be required at this time. However, if you choose to post another type of surety, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding forms, or you may download them off the internet at the Division's website at www.ogm.utah.gov. If you post another form of surety, a new Reclamation Contract will be required.

Thank you for your immediate attention to this letter. If you have any questions or concerns, please contact me at (801) 538-5325.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

Haddock

DRH:DJ:jb

Enclosure: Surety Estimate

O:\M057-Weber\M057002-GSL\Final\amend-surety-07192004.doc

RECLAMATION SURETY ESTIMATE Great Salt Lake Minerals Corporation last revision 05/20/02 Little Mountain Plant filename M057002W/R2 page "estimate D8" DOGM file Number M/057/002 Weber County Prepared by Utah State Division of Oil, Gas & Mining -This site includes approximately 42,300 acres of evaporation ponds - 19,355 acres/Bear River Bay 23,000 acres/West Desert - 500 acre plant site - 191.8 acres of borrow areas. Reclamation of solar pond system by selective breaching of dikes & wave erosion. Reclamation of plant operations area is clean-up only - Post Mine Use - Industrial Area Borrow pits to be regraded & reseeded. - Strongs Knob highwall <45 degrees Borrow sites & acreages: Little Mountain - South 72 acres, Little Mountain - north 10 acres, Pokes Point 80 acres Strongs Knob 23.8 acres, Borrow #2 3 acres, Borrow #4 3 acres. All structures at Finger Point pump station is to be removed. Strongs Knob to Finger Point dike to be breached every mile Access road across lake bed to be breached every 0.5 mile. -Surety estimate increased 5/24/04 due to construction of pump station 113-East. -All structures at pump station to be removed. -Pump station was built in lake bed therefore does not result in an increase of acreage requiring reclamation. Note: Unit costs shown are from 1994 reclamation estimate - escalated to 2004 costs. -Amount of disturbed area which will receive reclamation treatments = 191.8 acres -Estimated total disturbed area for this mine = 191.8 acres Activity Quantity Units \$/unit Note Plant Site Clean-up 1 lump sum 28.650 28650 Breach Dikes 10 each 1718 17180 Pump Station - remove concrete & wooden structure & pum 1 lump sum 85935 85935 Pump Station 113-East - Remove concrete and structures 1 lump sum 28100 28100 Regrade Borrow Areas 191.8 acres 49293 257 Reseed borrow areas 191.8 acres 501 96092 Breach Strongs Knob road 2 each 1750 3500 Breach Finger Point Dike 8 each 1750 14000 Remove Finger Point pump station 28070 1 lump sum 28070 Equipment mobilization 5 equip 2000 10000 Reclamation supervision 12 days 400 4800 Subtotal 365619 10% Contingency 36562 Subtotal 402181 Escalate for 5 years at 2.82% per year 59997 Total 462179 Rounded surety amount in year 2009 \$ 462200 Average cost per disturber acre = 2410

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired...
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.
- 1. Article Addressed to:

ERIC BEAUMONT GREAT SALT LAKE MINERALS 765 N 10500 W PO BOX 1190 OGDEN UT 84404

COMPLETE THIS SECTION ON DELIVERY

A. Signature X	☐ Agent ☐ Addressee

B. Received by (Printed Name) Sherry Tolman

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address beli

AUG 1 8 2004

DIV OF OIL GAS & MINING

3. Service Type

X Certified Mail Registered

☐ Express Mail ☐ Return Receipt for Mercha

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

□ Ye

JB DOGM M/057/002 7/19/04 2. Article Number

(Transfer from service label)

7099 3400 0016 8896 0785

PS Form 3811, August 2001

Domestic Return Receipt

10259

UNITED STATES POSTAL SERVICE

First-Class Mail Postage & Fees Paid USPS Permit No. G-10

Sender: Please print your name, address, and ZIP+4 in this box

Joelle Burns
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Salt Lake City UT 84114-5801

